



## INVESTMENT POLICY STATEMENT

### 1. Introduction

This Investment Policy Statement (IPS) serves as the guiding framework for the management and allocation of assets held by the GOSUMEC Foundation USA. The primary objective of this policy is to establish clear guidelines and strategies for the prudent stewardship of the foundation's resources, with particular emphasis on the management of its restricted endowments.

### 2. Objectives

The investment strategy aims to achieve the following objectives:

- Preserve and grow the real value of the GOSUMEC Foundation USA's assets over the long term.
- Generate sufficient returns to support the philanthropic endeavors and initiatives of the foundation.
- Ensure compliance with the intentions of donors regarding restricted endowments.
- Mitigate investment risks while maintaining a disciplined approach to asset allocation.



## INVESTMENT POLICY STATEMENT

### 3. Asset Allocation

The foundation's investment portfolio shall be allocated as follows:

- Passive Index Investing: 70%
  - VANGUARD S&P 500 ETF: VOO
- Cash or Cash Equivalents: 30%
  - SCHWAB US TREASURY MONEY INVESTOR: SNSXX

#### 3.1 Passive Index Investing

Seventy percent (70%) of the foundation's assets shall be invested in a low-cost index ETF, specifically the VANGUARD S&P 500 ETF, VOO . This strategy aligns with the principle of passive investing, aiming to capture the returns of the broader market while minimizing costs and administrative burdens. The data from long-term studies supports the stability of this approach over extended periods, including 20-year intervals.

#### 3.2 Cash or Cash Equivalents

Thirty percent (30%) of the foundation's assets shall be held in cash or cash equivalents, including short-term treasury bond, SCHWAB US TREASURY MONEY INVESTOR, SNSXX. This allocation provides liquidity and stability to the portfolio, ensuring the foundation's ability to meet its financial obligations and take advantage of investment opportunities as they arise.

### 4. Investment Committee

The Investment Committee, composed of the Board Chair, Treasurer, and three non-board members with relevant expertise, shall be responsible for overseeing the implementation of this investment policy. The committee shall meet regularly to make informed decisions to achieve the foundation's investment objectives. Any proposed changes to the withdrawal rate shall be recommended by the Investment Committee and subject to approval by the board of directors.



## INVESTMENT POLICY STATEMENT

### 5. Investment Guidelines

The following guidelines shall govern the management of the foundation's investment portfolio:

- **Cost Efficiency:** Investments shall be selected and managed with a focus on minimizing expenses and fees to enhance overall returns.
- **Risk Management:** The 70/30 allocation allows for employment of diversification and risk mitigation to prudently manage investment risks within acceptable levels.
- **Long-Term Perspective:** The allocation of funds shall remain constant even in the face of deteriorating market conditions, adhering to the long-term management approach using passive indexing.
- **Withdrawal Rate:** The foundation shall initially adhere to a withdrawal rate of 5%, which may be reduced to 4% based on the recommendations of the Investment Committee and approval of the board.
- **Compliance:** All investment decisions shall adhere to applicable laws, regulations, and ethical standards, with particular attention to honoring the directives of donors regarding restricted endowments.



## INVESTMENT POLICY STATEMENT

### **6. Performance Evaluation**

The Investment Committee is committed to upholding a steadfast long-term perspective and maintaining the investment policy amid market fluctuations and turmoil. Any adverse market conditions that potentially impact the payout will be managed, ensuring it remains within the agreed percentage range (4% to 5%). This commitment ensures transparency and accountability in the management of the foundation's assets, guided by a resilient long-term outlook that is impervious to emotional influences on investment performance.

The consistency of this investment strategy is integral to advancing the mission of the GOSUMEC Foundation USA, fortifying its ability to effectively pursue philanthropic goals and create sustained positive impact over time.

### **Conclusion**

The GOSUMEC Foundation USA is committed to the prudent and responsible management of its assets to further its philanthropic mission and create lasting positive impact. By adhering to the principles outlined in this Investment Policy Statement, the foundation seeks to optimize returns, mitigate risks, and fulfill its fiduciary responsibilities to its donors, beneficiaries, and stakeholders.



## **D.R. SARDESAI HUMANITIES CORPUS STATEMENT**

### **Corpus Fund for Supporting Activities**

#### **Purpose:**

The purpose of the D.R. SarDesai Humanities Corpus is to provide sustainable support for a range of activities within the humanities field.

These activities may include but are not limited to research initiatives, educational programs, public outreach, publications, and the acquisition of resources to further the mission of the D.R. SarDesai Humanities Corpus.

#### **Initial Funding:**

D.R. SarDesai Humanities Corpus has been established with an initial contribution of \$50,000. This contribution is intended to provide a solid foundation for the fund's growth and to ensure its ability to generate income for supporting activities in perpetuity.

#### **Investment Strategy:**

The assets of this Corpus Fund will be prudently invested in accordance with the organization's investment policy. The investment strategy will aim to balance the need for growth with the need to preserve capital, taking into consideration factors such as risk tolerance, time horizon, and liquidity needs.



## **D.R. SARDESAI HUMANITIES CORPUS STATEMENT**

### **Spending Policy:**

The D.R. SarDesai Humanities Corpus will allocate funds from its initial \$50,000 principal to support the publication of literary materials documenting the history of our alma mater. Donors Archana & Sanjay Bindra will gradually supplement this fund over time to enhance its impact in fulfilling the mission. In the event of the Humanities Division's closure, as per donors' directives, the funds from the Humanities Corpus may be redirected to the Student Corpus to provide perpetual financial assistance to students facing financial challenges.

The income generated by the D.R. SarDesai Corpus will be used to support a variety of activities within the humanities field, as determined by the recommendations of Archana & Sanjay Bindra. A spending policy will be established to govern the distribution of income from the fund, ensuring that resources are allocated in a manner consistent with the organization's mission and priorities.

### **Stewardship and Reporting:**

The board of directors of GOSUMEC Foundation will oversee the management of the D.R. SarDesai Corpus and ensure that it is used in accordance with its intended purpose. Regular reports will be provided to stakeholders, including donors, board members, and the public, to demonstrate the impact of the fund's support on the organization's activities and achievements.



## D.R. SARDESAI HUMANITIES CORPUS STATEMENT

### **Review and Evaluation:**

The performance of this fund will be periodically reviewed and evaluated to ensure that it continues to effectively support the mission of the D.R. SarDesai Humanities Corpus. Adjustments based on the directions of the donors Archana & Sanjay Bindra, to the investment strategy, spending policy, or other aspects of the fund's management may be made as needed to optimize its impact and sustainability over time.

By establishing the D.R. SarDesai Humanities Corpus with \$50,000 for supporting activities, donors Archana & Sanjay Bindra aim to create a lasting legacy that will enable the organization to thrive and make a meaningful contribution to the humanities field for generations to come.



## **JYOTI SHANBHAG HAVEN Initiative Corpus Statement**

### **Fund for Supporting Financially Challenged Students**

#### **Purpose:**

The purpose of the Jyoti Shanbhag HAVEN Initiative Corpus is to sustainably support financially challenged students. Initially, this support will focus on covering living expenses.

#### **Initial Funding:**

The Fund begins with an initial contribution of \$30,000. This seed funding is intended to establish a solid foundation for the fund's growth, ensuring its ability to generate income to support activities indefinitely.

#### **Investment Strategy:**

Assets of the Fund will be prudently invested in line with the organization's investment policy. This strategy aims to balance growth opportunities with capital preservation, taking into account factors such as risk tolerance, time horizon, and liquidity needs.

#### **Stewardship and Reporting:**

Oversight of the Fund's management will be the responsibility of the GOSUMEC Foundation USA board of directors. Regular reports will be provided to stakeholders, including donors, board members, and the public, to illustrate the fund's impact on the organization's initiatives and achievements.





## **JYOTI SHANBHAG HAVEN Initiative Corpus Statement**

### **Spending Policy:**

Income generated by the Fund will be used to support living expenses of financially challenged students, selected by the Scholarship Selection Committee at GS Medical College & KEM Hospital, as recommended by Drs. Pramila & Gajanan Shanbhag (or their son Nitin Shanbhag in their absence) and approved by the GOSUMEC Foundation USA board of directors.

A spending policy will be implemented to guide the distribution of fund income, ensuring resources are allocated according to its intended purpose. If necessary, the fund may also be utilized to support education needs, including fees, educational materials, and meal support for financially challenged students.

### **Review and Evaluation:**

The Fund's performance will be periodically reviewed and evaluated to ensure its effectiveness in supporting the mission of the Jyoti Shanbhag HAVEN Initiative Fund. Adjustments to the investment strategy, spending policy, and other operational aspects will be made as necessary to enhance the fund's impact and sustainability over time.

Establishing the Jyoti Shanbhag HAVEN Initiative Corpus Fund with an initial \$30,000 allocation for supporting activities aims to create a lasting legacy in memory of Jyoti Shanbhag.



## **Student Corpus Fund Statement**

### **Fund for Supporting Financially Challenged Students**

#### **Purpose:**

The Student Corpus Fund at GOSUMEC Foundation USA exists to provide crucial support to financially challenged students, ensuring access to tuition, educational materials, and essential living expenses.

#### **Mission:**

Our mission is to break down financial barriers to education, enabling students to pursue their academic goals without undue financial strain.

#### **Objectives:**

- Provide financial assistance for tuition fees to students facing economic hardship.
- Ensure students have access to necessary educational materials, including textbooks and supplies.
- Support students with living expenses, encompassing accommodation, meals, and transportation.

#### **Initial Funding:**

The Student Corpus Fund is designed to establish a sturdy foundation for continual support of financially challenged students.

#### **Investment Strategy:**

Assets of the Student Corpus Fund will be carefully invested in line with the organization's investment policy, aiming for growth while preserving capital and considering factors such as risk tolerance and liquidity needs.



## **Student Corpus Fund Statement**

### **Spending Policy:**

Income from the Student Corpus Fund will be directly channeled to support students in need, covering tuition fees, educational materials, and living expenses, including meals, based on demonstrated necessity.

**Stewardship and Reporting:** Oversight of the Student Corpus Fund will be managed by the organization's board of directors, ensuring transparency and accountability. Regular reports will illustrate the fund's impact on students' academic success and achievements.

**Review and Evaluation:** Regular assessments will ensure the Student Corpus Fund remains aligned with its mission and objectives, with adjustments made as necessary to optimize impact and sustainability.

Through the Student Corpus Fund, we aim to leave a lasting legacy of support for financially challenged students, empowering them to pursue their educational aspirations and realize their full potential.